

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Colfax Township		County Mecosta
Audit Date 3/31/04	Opinion Date 7/8/04	Date Accountant Report Submitted to State: 9/28/04		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGR).			✓

Certified Public Accountant (Firm Name) Baird, Cotter & Bishop, P.C.			
Street Address 134 W. Harris Street		City Cadillac	State MI
Accountant Signature 		Date 9/24/04	

COLFAX TOWNSHIP, MECOSTA COUNTY

RODNEY, MICHIGAN

MARCH 31, 2004

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

MARCH 31, 2004

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Baird, Cotter and Bishop, P.C.

JOHN H. BISHOP, C.P.A.
ROBERT V. BEATTIE,
DOUGLAS P. McMULLEN, C.P.A.
JOHN F. TAYLOR, C.P.A.
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SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

July 8, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Colfax Township
Mecosta County
Rodney, Michigan

We have audited the accompanying general-purpose financial statements of Colfax Township, Mecosta County, Rodney, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I.B., the Township's policy is to prepare its general-purpose financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of Colfax Township, Mecosta County, Rodney, Michigan as of March 31, 2004, and the cash receipts it received and cash disbursements it paid in the year then ended on the basis of accounting described in Note I.B.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Financial Statements of Individual Funds" and "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the examination of the general-purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ALL FUND TYPES AND ACCOUNT GROUP
MARCH 31, 2004

	GOVERNMENTAL	FIDUCIARY	ACCOUNT GROUP GENERAL	TOTAL
	FUND TYPE	FUND TYPE	FIXED	(MEMORANDUM
	GENERAL	AGENCY	ASSETS	ONLY)
<u>ASSETS</u>				
Cash				
Commercial Accounts	\$ 138,962	\$ 3,589	\$ 0	\$ 142,551
Money Market Accounts	386,991	0	0	386,991
Taxes Receivable	4,360	0	0	4,360
Land	0	0	44,507	44,507
Land Improvements	0	0	51,663	51,663
Buildings	0	0	200,584	200,584
Equipment	0	0	521,628	521,628
TOTAL ASSETS	\$ 530,313	\$ 3,589	\$ 818,382	\$ 1,352,284
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
Deferred Revenue	\$ 4,360	\$ 0	\$ 0	\$ 4,360
<u>EQUITY</u>				
Investment in General Fixed Assets	0	0	818,382	818,382
Balance				
Unreserved	525,953	3,589	0	529,542
Total Equity	525,953	3,589	818,382	1,347,924
TOTAL LIABILITIES AND EQUITY	\$ 530,313	\$ 3,589	\$ 818,382	\$ 1,352,284

The accompanying notes are an integral part of these financial statments.

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
GENERAL FUND

FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Taxes	\$ 55,448
Licenses and Permits	8,235
State Grants	138,990
Charges for Services	28,537
Interest and Rents	4,971
Other Receipts	3,012
	<hr/>
Total Receipts	239,193

DISBURSEMENTS

Legislative	
Township Board	17,060
General Government	
Supervisor	9,724
Election	604
Assessor	16,564
Clerk	14,474
Board of Review	956
Treasurer	21,323
Building and Grounds	4,483
Cemetery	42,164
Public Safety	
Fire Department	35,407
Public Works	
Highways, Streets, and Bridges	21,845
Community and Economic Development	
Planning and Zoning	1,523
Other Functions	
Employee Benefits	3,845
	<hr/>
Total Disbursements	189,972
	<hr/>
Excess of Receipts Over (Under) Disbursements	49,221

<u>BALANCE</u> - Beginning of Year	<hr/> 476,732
<u>BALANCE</u> - End of Year	<hr/> \$ 525,953

The accompanying notes are an integral part of these financial statements.

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 55,125	\$ 55,448	\$ 323
Licenses and Permits	0	8,235	8,235
State Grants	152,000	138,990	(13,010)
Charges for Services	34,325	28,537	(5,788)
Interest and Rents	11,200	4,971	(6,229)
Other Receipts	21,500	3,012	(18,488)
Total Receipts	274,150	239,193	(34,957)
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	21,200	17,060	4,140
General Government			
Supervisor	10,450	9,724	726
Election	6,450	604	5,846
Assessor	18,350	16,564	1,786
Clerk	15,394	14,474	920
Board of Review	1,250	956	294
Treasurer	23,669	21,323	2,346
Building and Grounds	11,550	4,483	7,067
Cemetery	46,500	42,164	4,336
Public Safety			
Fire Department	64,050	35,407	28,643
Public Works			
Highways, Streets, and Bridges	32,000	21,845	10,155
Community and Economic Development			
Planning and Zoning	2,620	1,523	1,097
Other Functions			
Employee Benefits	4,000	3,845	155
Contingencies	16,667	0	16,667
Total Disbursements	274,150	189,972	84,178
Excess of Receipts Over (Under) Disbursements	\$ 0	49,221	\$ 49,221
<u>BALANCE - Beginning of Year</u>		476,732	
<u>BALANCE - End of Year</u>		\$ 525,953	

The accompanying notes are an integral part of these financial statments.

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Colfax Township is a general law township located in Mecosta County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in it's reporting entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Township has no long-term debt which would be recorded in the general long-term debt group of accounts.

The Township has the following fund types and account group:

Governmental funds are used to account for the Township's general government activities. The Township uses the flow of economic resources measurement focus and the modified cash basis of accounting for this fund which is an other comprehensive basis of accounting (OCBOA). Under the modified cash basis of accounting, revenues are recognized when collected (i.e., when cash is received). Expenditures are recorded when cash is disbursed.

Governmental funds include the following fund types:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fiduciary funds account for assets held by the Township in a trustee capacity or as an agent on behalf of others.

The Current Tax Collection Fund is an agency fund and is custodial in nature. It does not present results of operation or have a measurement focus. The agency fund also uses the modified cash basis of accounting. This fund is used to account for property tax collections which the township makes and distributes for others in an agency capacity.

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

Account Groups. The General Fixed Asset Account Group is used to account for fixed assets not accounted for in proprietary or trust funds.

C. Assets, Liabilities and Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

The Township's investment policy states that the Township Treasurer may invest township funds in the following:

Bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States.

Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase.

Repurchase agreements consisting of instruments listed in subdivision (a).

Bankers' acceptances of United States banks.

Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

- (i) The purchase of securities on a when-issued or delayed delivery basis.
- (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
- (iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.

The investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

2. Receivables and Payables

Under the modified cash basis of accounting, a noncash asset is recorded for receivables of uncollected property taxes. This receivable is entirely offset by a deferred revenue liability account so that income is only recognized when cash is received.

3. Fixed Assets

Fixed assets used in governmental fund types (general fixed assets) are accounted for in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not included in the general fixed assets account group.

4. Use of Estimates

This presentation of financial statements requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

5. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budgets are adopted on the modified cash basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts presented are as originally adopted on March 19, 2003, or as amended by the Township Board from time to time throughout the year.

The appropriated budgets are prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUP

A. Deposits and Investments

A total of \$153,069 of the Township's \$534,695 of total investments and deposits are in accounts which exceed the Federal Depository Insurance and are uncollateralized. The remaining \$381,626 are in separate accounts which are fully insured. At year-end, the carrying amount of the Township's deposits was \$529,542 and the bank balance was \$534,695.

The carrying amount of the Township's deposits and investments at year-end are shown below:

Commercial Accounts	\$ 142,551
Money Market Accounts	<u>386,991</u>
	<u><u>\$ 529,542</u></u>

B. Fixed Assets

A summary of changes in general fixed assets appears below:

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 44,507	\$ 0	\$ 0	\$ 44,507
Land Improvements	30,663	21,000	0	51,663
Buildings	200,584	0	0	200,584
Equipment	520,496	4,126	(2,994)	521,628
	<u>\$ 796,250</u>	<u>\$ 25,126</u>	<u>\$ (2,994)</u>	<u>\$ 818,382</u>

IV. OTHER INFORMATION

A. Property Taxes

The Township levied 1.1985 mills for general operating purposes on a taxable value of \$45,939,098 on the 2003 tax roll.

Properties are assessed January 1, and the related property taxes become a lien on December 1 of the same year. Taxes are due and payable to the township treasurer on or before February 28. After February 28, the property taxes are payable to the Mecosta County Treasurer. Property taxes levied December 1 which are collected prior to the end of the fiscal year are recognized as income in the year in which they are levied. The Township's portion of the delinquent property taxes receivable is recognized as an asset. The taxes receivable are also recorded as deferred revenue and the tax collections are recorded as cash receipts when collected.

B. Interest Income and Expense

For the year ended March 31, 2004, interest income on deposits and investments and interest expense is summarized as follows:

	<u>INTEREST</u>	
	<u>INCOME</u>	<u>EXPENSE</u>
General Fund	\$ 4,521	\$ 0

Note - Interest income earned in the current tax collection fund is periodically transferred to the general fund and is shown as general fund interest income when transferred.

C. Current Tax Collection Fund Balance

The balance of \$3,589 remaining in the Current Tax Collection Fund at March 31, 2004, consists of interest earnings, property tax administration fees and lat payment penalties which were transferred to the Township General Fund after year end.

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

D. Retirement Plan

The Township has a defined contribution pension plan with Manufacturers Life Insurance Company, which covers all members of the Township Board. Each board member becomes eligible for coverage on the first policy anniversary date which the board member reaches age 18. A board member's normal retirement date is age 65 or, if later, on the 10th anniversary of the board member's entry date.

The formula for determining contributions is based on a board member's basic annual rate of compensation in effect at the beginning of each plan year. Plan year is April 1 to March 31 of the following year. Township contributions for each eligible participant are calculated as 13.5% of compensation. Participants are allowed to make voluntary after-tax contributions, in amounts ranging from 1% to 10% of compensation.

Township contributions to the plan for 2003-04 plan year amounted to \$4,769. In addition, the Township paid \$420 in service fees.

Total wages for those covered under the plan was \$34,360 and total wages for all employees including noncovered payroll was \$77,302.

E. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability, errors and omissions, and worker's compensation insurance. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or the three prior years.

The Township continued to carry insurance for other risks of loss, including fidelity bonds.

F. Property Tax Administration Fee

The Township passed a resolution on March 6, 2003 to charge a 1% administration fee for the summer tax rolls on all ad valorem, taxes levied. The resolution is to continue in force and effect until revoked by the township board.

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COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash	
Commercial Account	\$ 138,962
Money Market Accounts	386,991
Taxes Receivable	<u>4,360</u>
 TOTAL ASSETS	 \$ <u><u>530,313</u></u>

LIABILITIES AND EQUITY

LIABILITIES

Deferred Revenue	\$ 4,360
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EQUITY

Balance	
Unreserved	<u>525,953</u>

TOTAL LIABILITIES AND EQUITY	\$ <u><u>530,313</u></u>
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COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 55,125	\$ 55,448	\$ 323
Licenses and Permits	0	8,235	8,235
State Grants	152,000	138,990	(13,010)
Charges for Services	34,325	28,537	(5,788)
Interest and Rents	11,200	4,971	(6,229)
Other Receipts	21,500	3,012	(18,488)
Total Receipts	274,150	239,193	(34,957)
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	21,200	17,060	4,140
General Government			
Supervisor	10,450	9,724	726
Election	6,450	604	5,846
Assessor	18,350	16,564	1,786
Clerk	15,394	14,474	920
Board of Review	1,250	956	294
Treasurer	23,669	21,323	2,346
Building and Grounds	11,550	4,483	7,067
Cemetery	46,500	42,164	4,336
Public Safety			
Fire Department	64,050	35,407	28,643
Public Works			
Highways, Streets, and Bridges	32,000	21,845	10,155
Community and Economic Development			
Planning and Zoning	2,620	1,523	1,097
Other Functions			
Employee Benefits	4,000	3,845	155
Contingencies	16,667	0	16,667
Total Disbursements	274,150	189,972	84,178
Excess of Receipts Over (Under) Disbursements	\$ 0	49,221	\$ 49,221
<u>BALANCE - Beginning of Year</u>		476,732	
<u>BALANCE - End of Year</u>		\$ 525,953	

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS
FOR THE YEAR ENDED MARCH 31, 2004

TAXES

Current Property Taxes	\$ 50,691	
Delinquent Property Taxes	4,649	
Swamp Tax	<u>108</u>	
Total Taxes		\$ 55,448

LICENSES AND PERMITS

Land Division Applications	400	
Cable T.V. Franchise Fees	<u>7,835</u>	
Total Licenses and Permits		8,235

STATE GRANTS

State Revenue Sharing		
Sales and Use Tax		138,990

CHARGES FOR SERVICES

Fire Protection - Grant Township	17,207	
Fire Run Charges	1,800	
Cemetery Fees	4,460	
Sales - Cemetery Lots	1,650	
Summer Tax Collection	<u>3,420</u>	
Total Charges for Services		28,537

INTEREST AND RENTS

Interest Earnings	4,521	
Rents	<u>450</u>	
Total Interest and Rents		4,971

OTHER RECEIPTS

Refunds and Rebates	1,073	
Miscellaneous	<u>1,939</u>	
Total Other Receipts		<u>3,012</u>
TOTAL RECEIPTS		<u>\$ 239,193</u>

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

LEGISLATIVE

Township Board

Personal Services

Salaries and Wages	\$	2,762
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Salaries and Wages - Per Diem		50
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Pension		865
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Other Services and Charges

Insurance and Bonds		9,248
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Contracted Services		1,843
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Dues and Fees		1,029
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Printing and Publishing		212
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Communications		523
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Education & Training		142
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Miscellaneous - Other		386
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Total Legislative		\$ 17,060
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GENERAL GOVERNMENT

Supervisor

Personal Services

Salaries and Wages	6,464
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Salaries and Wages - Per Diem	275
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Pension	1,170
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Other Services and Charges

Education and Training	1,571
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Transportation	244
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Total Supervisor		9,724
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Elections

Personal Services

Salaries	496
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Supplies

Office Supplies	101
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Other Services and Charges

Transportation	7
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Total Elections		604
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COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Assessor

Personal Services		
Salaries and Wages	15,563	
Supplies		
Office Supplies	966	
Other Services and Charges		
Miscellaneous	35	
Total Assessor		16,564

Clerk

Personal Services		
Salaries and Wages	9,324	
Salaries and Wages - Deputy	74	
Salaries and Wages - Per Diem	475	
Pension	1,588	
Supplies		
Office Supplies	187	
Other Services and Charges		
Education and Training	2,657	
Transportation	169	
Total Clerk		14,474

Board of Review

Personal Services		
Salaries and Wages	518	
Supplies		
Office Supplies	20	
Other Services and Charges		
Printing and Publishing	78	
Education and Training	312	
Transportation	28	
Total Board of Review		956

Treasurer

Personal Services		
Salaries and Wages	14,535	
Salaries and Wages - Deputy	412	
Salaries and Wages - Per Diem	475	
Pension	1,566	

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Supplies		
Office Supplies	1,657	
Other Services and Charges		
Education and Training	1,982	
Transportation	696	
Total Treasurer		21,323
Building and Grounds		
Personal Services		
Salaries and Wages	1,192	
Other Services and Charges		
Repairs and Maintenance	233	
Utilities	2,296	
Miscellaneous	319	
Capital Outlay	443	
Total Building and Grounds		4,483
Cemetery		
Personal Services		
Salaries and Wages	11,398	
Supplies		
Operating Supplies	560	
Other Services and Charges		
Education and Training	68	
Transportation	229	
Utilities	176	
Repairs and Maintenance	1,016	
Capital Outlay		
Equipment	2,520	
Land Improvements	26,197	
Total Cemetery		42,164
Total General Government		110,292

PUBLIC SAFETY

Fire Department		
Personal Services		
Salaries and Wages		4,949
Fire Run Allowances		8,398

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Supplies		
Operating Supplies	806	
Other Services and Charges		
Medical Services	266	
Communications	330	
Insurance	2,444	
Utilities	3,524	
Repairs and Maintenance	2,936	
Miscellaneous	1,604	
Capital Outlay		
Building	225	
Fire Equipment	9,925	
Total Public Safety		35,407
<u>PUBLIC WORKS</u>		
Streets, Highways and Bridges		
Other Services and Charges		
Repairs and Maintenance	20,512	
Utilities	1,333	
Total Public Works		21,845
<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>		
Planning and Zoning		
Personal Services		
Salaries and Wages	438	
Other Services and Charges		
Education and Training	1,085	
Total Community and Economic Development		1,523
<u>OTHER FUNCTIONS</u>		
Employee Benefits		
Medicare and Social Security		3,845
TOTAL DISBURSEMENTS		<u>\$ 189,972</u>

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

	<u>ASSETS</u>	
Cash		
Commercial Account		\$ 3,589
		<u><u> </u></u>
	<u>BALANCE</u>	
Balance		
Unreserved		\$ 3,589
		<u><u> </u></u>

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
FOR THE YEAR ENDED MARCH 31, 2003

RECEIPTS

Current Tax Collections		\$ 1,219,731
Delinquent Tax Collections		3,676
Property Tax Administration Fee		2,218
Overcollections from Taxpayers		2,638
Late Payment Penalties		672
Interest on Delinquent Tax		333
Dog License Fees		247
Interest Earnings		82
		<hr/>
Total Receipts		1,229,597

DISBURSEMENTS

Payments to County Treasurer		
Current Tax		
County	310,265	
County State Education Tax	222,394	
Delinquent Tax		
County	711	
County State Education Tax	52	
Interest on Delinquent Tax	333	
Dog License Fees	247	534,002
	<hr/>	
Payments To Township Treasurer		
Current Tax	50,691	
Delinquent Tax	116	50,807
	<hr/>	
Payments to School Treasurer		
Current Tax		
Big Rapids Public Schools	341,014	
Chippewa Hills Public Schools	55,934	
Morley Stanwood Community Schools	65,680	
Delinquent Tax		
Big Rapids Public Schools	2,179	
Chippewa Hills Public Schools	220	465,027
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COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
FOR THE YEAR ENDED MARCH 31, 2003

Payments to Intermediate School Treasurer			
Mecosta-Osceola			
Current Tax	173,753		
Delinquent Tax	<u>398</u>	174,151	
Overpayment Refunds		2,638	
Bank Charges		<u>23</u>	<u>1,226,648</u>
Excess of Receipts Over (Under) Disbursements			2,949
<u>BALANCE</u> - Beginning of Year			<u>640</u>
<u>BALANCE</u> - End of Year			<u>\$ 3,589</u>

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/2003	ADDITIONS	DELETIONS	BALANCE 3/31/2004
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 44,507	\$ 0	\$ 0	\$ 44,507
Land Improvements	30,663	21,000	0	51,663
Buildings	200,584	0	0	200,584
Equipment	520,496	4,126	(2,994)	521,628
	<u>\$ 796,250</u>	<u>\$ 25,126</u>	<u>\$ (2,994)</u>	<u>\$ 818,382</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>	 <u>\$ 796,250</u>	 <u>\$ 25,126</u>	 <u>\$ (2,994)</u>	 <u>\$ 818,382</u>

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COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

STATEMENT OF 2003 WINTER PROPERTY TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County		\$	336,953	
Township			55,051	
Schools				
Big Rapids Public Schools	369,270			
Chippewa Hills Public Schools	64,913			
Morley Stanwood Community Schools	74,040		508,223	
Intermediate School				
Mecosta - Osceola			188,698	1,088,925

TAXES COLLECTED

County			310,265	
Township			50,691	
Schools				
Big Rapids Public Schools	341,014			
Chippewa Hills Public Schools	55,934			
Morley Stanwood Community Schools	65,680		462,628	
Intermediate School				
Mecosta - Osceola			173,753	997,337

TAXES RETURNED DELINQUENT

County			26,688	
Township			4,360	
Schools				
Big Rapids Public Schools	28,256			
Chippewa Hills Public Schools	8,979			
Morley Stanwood Community Schools	8,360		45,595	
Intermediate School				
Mecosta - Osceola			14,945	\$ 91,588

COLFAX TOWNSHIP, MECOSTA COUNTY
RODNEY, MICHIGAN

STATEMENT OF 2003 SUMMER PROPERTY TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County	
State Education Tax	\$ 229,693

TAXES COLLECTED

County	
State Education Tax	<u>222,394</u>

TAXES RETURNED DELINQUENT

County	
State Education Tax	<u><u>\$ 7,299</u></u>

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Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

July 8, 2004

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board
Colfax Township
Mecosta County
Rodney, Michigan

During the course of our audit of the general-purpose financial statements of Colfax Township for the year ended March 31, 2004, we noted the following:

Investments

The Township's investing of excess funds is being handled very efficiently. All cash is being maintained in interest bearing accounts. Interest earnings for the 2003-2004 fiscal year totaled nearly \$5,000.

GASB 34

The Government Accounting Standards Board has issued a new pronouncement that will dramatically change the way governmental entities report their financial information. For Colfax Township, GASB 34 will become effective for the year ending March 31, 2005.

Some of the changes required by GASB 34 are as follows:

Management's discussion and analysis will be the first thing in a financial report. This will be the administration's narrative overview of the information contained in the financial statements.

The budgetary comparison information must report the original adopted budget and the final amended budget.

Capital assets and long-term liabilities will be required to be reported in the balance sheet. The depreciation on the capital assets will then be reported as an expense in the statement of revenues and expenses. With this change, the financial statements of a government entity will look similar to a for-profit business financial statements.

We are available to advise you and offer assistance on how to proceed with steps needed to meet GASB 34 requirements.

Reportable Condition in Internal Controls

In planning and performing our audit of the general-purpose financial statements of Colfax Township for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements.

Certain matters considered to be reportable conditions in internal controls were noted. We are issuing a separate letter (letter of reportable conditions) which addresses those items noted.

General Recordkeeping

The accounting records for the year ended March 31, 2004, were found to be in good order and in compliance with the State's uniform accounting system. We commend the Clerk and Treasurer for a job well done and encourage them to keep up the fine effort.

Budgeting

Pertaining to the Township's compliance with Public Act 621 of 1978, the following items are noted:

- 1) The budget documents should include actual prior year amounts and also, estimate of current year amounts.
- 2) In addition to budgeted receipts and disbursements, the budget should include estimated beginning and ending fund balances.

Property Tax Administration Fee

As reported in Note IV.F of the Notes to Financial Statements, the Township is now charging a 1% property tax administration fee on the summer tax rolls. The Township has determined that authorized costs of tax collection will be repeatedly in excess of revenue generated by the administration fee but has not formally taken action to write off this loss. We recommend that the Township keep subsidiary records which reflect property tax administration fee collections and costs and that the board pass a motion to write off the loss annually.

We would like to thank the Board for its continued confidence in our firm by awarding us the audit assignment of the Township. We would also like to thank the Clerk and Treasurer for their cooperation in helping us fulfill the audit of the Township records.

If you have any questions relative to the above comments and recommendations or other areas of your annual accounting, please feel free to call on us.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

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CERTIFIED PUBLIC ACCOUNTANTS

July 8, 2004

LETTER OF REPORTABLE CONDITIONS

To the Township Board
Colfax Township
Mecosta County
Rodney, Michigan

In planning and performing our audit of the general-purpose financial statements of Colfax Township, Mecosta County, Rodney, Michigan for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition described above is a material weakness.

This report is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

